

MINUTES OF MEETING OF MAY 14, 1946, OF THE BOARD OF PUBLIC WORKS

The Board of Public Works met on May 14, 1946, in the office of the Governor, Annapolis.

There were present: Herbert R. O'Connor, Governor
 Hooper S. Miles, State Treasurer

Mr. Walter N. Kirkman, Director, Department of Budget and Procurement, also attended the meeting...

The Minutes of March 21, 1946, copy of which was sent to each member of the Board, were approved.

- - -

MARYLAND STATE FAIR BOARD - General Emergency Fund.

Mr. Turner, Mr. Schluderberg, Mr. Clark, Mr. Brooks and Mr. Daiger, representing the Maryland State Fair Board, appeared before the Board of Public Works in the interest of obtaining an allotment of funds from the General Emergency Fund appropriation for the fiscal year 1947, to supplement the money appropriated to them in the 1947 budget. Several statements were submitted showing that if the Fair Board were to continue to allot to the several organizations receiving assistance in 1945, the same amounts that were allotted for that year, there would be no money available to allot to the Maryland State Fair, which is held at Timonium, and for which no funds were allotted for the years 1943, 1944 and 1945 because of the inability of the Fair to operate due to war conditions. All of the gentlemen who were present spoke in behalf of providing assistance for the Maryland State Fair, indicating that this was the one agency which it was desired to typify the activities of the agricultural work being done by the people of the State.

After due consideration the Board agreed that it would allot, out of the General Emergency Fund for 1947, the sum of \$20,000 to supplement the appropriation to the Maryland State Fair Board for that year.

DEPARTMENT OF PUBLIC WELFARE - General Emergency Fund.

Mr. W.W. Lanahan, Chairman of the Department of Public Welfare, and Mr. J. Milton Patterson, Executive Director of that department, appeared before the Board relative to the needs for welfare assistance in the fiscal year 1947. A statement was submitted showing appropriations and estimated expenditures for the fiscal year beginning July 1, 1946, State Funds only, and outlining four plans. The Board felt it could give consideration to Plan #1 only, because of that plan being based on continuing December, 1945 expenditures through June, 1947, the expenditures for the six months beginning January 1, 1946 being based on December, 1945 expenditures in accordance with approval given by the Board of Public Works to this arrangement in January, 1946, when it was determined that the requirements for the remainder of the fiscal year, to June 30, 1946, would exceed the total amount appropriated to the Department of Public Welfare for the fiscal year 1946, and the Board of Public Works supplemented that appropriation with the entire balance remaining in the Emergency Fund appropriation for the fiscal year 1946. It was estimated that the deficit at June 30, 1947, based on continuing December, 1945 expenditures through June, 1947, would be \$460,118.00.

The Board stated that it did not have any funds available to it for the fiscal year 1947, other than the appropriation of \$500,000.00 as the General Emergency Fund for that year, and that the Board had already committed a sizable part of that fund because of having to continue, in 1947, some of the activities of the State which were financed in 1946 out of the General Emergency Fund for that year.

May 14, 1946

71016

Mr. Lanahan and Mr. Patterson both advised the Board that it is imperative that the counties know at this time how much money will be available from the State for welfare needs, in order that they may be governed accordingly in making their levies for this year. It was also stated that the Department of Welfare must certify to the Social Security Board in Washington, before July 1, 1946, the amount of money which the State will have available in the quarter beginning July 1, 1946, so that the State may have allotted to it the funds available from the Federal Government to match the State's money.

After due consideration the Department of Welfare was authorized to certify to the Social Security Board, on the basis of the monies appropriated in the budget for the fiscal year 1946, plus the additional money required under Plan #1, with the understanding that during the quarter the Department of Public Welfare and the Board of Public Works would give further consideration to the matter on the basis of any changes which might occur between now and the latter part of the next quarter.

MILITARY DEPARTMENT

General Milton A. Reckord appeared before the Board and requested:

1 - That he be authorized to use the unexpended balance of \$7,564.77, remaining in the account covering the fire loss at the Fifth Regiment Armory, for repairs to armories.

2 - That he be allowed to use the sum of \$50,000, out of the appropriation of \$200,000, standing to the credit of the Military Department for the construction of a Naval Militia Armory, but which has not been used up to this time and which it is likely will not be used for some time to come, for repairs and improvements to armories throughout the State.

3 - That he be provided with the sum of \$12,000 to be used for the payment of architectural services in connection with construction work at the 110th Field Artillery Armory at Pikesville, Maryland, costing approximately \$200,000, the money for such construction work to be made available out of funds at the disposal of the War Department, which General Reckord feels quite sure he will be able to have allotted to the State of Maryland for this work.

After due consideration the Board approved General Reckord's request for the use of \$7,564.77 remaining in the account for fire damage at the Fifth Regiment Armory; for the use of \$50,000 out of the allotment for a Naval Militia Armory, as requested for an allocation of \$12,000 to come from the Post-War Construction Fund to cover the cost of architectural services in connection with proposed construction at the Pikesville Armory,

CHELTHENHAM SCHOOL FOR BOYS

Mr. Charles J. Spielman, of C.J. Spielman & Co., Mr. Berger, associated with Mr. Spielman, Mr. L.B. Fenneman, Attorney for Mr. Spielman, and Mr. J. Edgar Harvey, Assistant-Attorney General, appeared before the Board in connection with the bill rendered Cheltenham by C.J. Spielman & Company, Inc., in the amount of \$108,467.51, representing the balance claimed by the contractor under the contract entered into between the institution and C.J. Spielman & Co., approved by the Board of Public Works for the installation of sewerage and water systems at the School. The matter had come before the Board at a previous meeting and was referred to the Attorney General because of the fact that the total amount of the bill submitted by the contractor exceeded the amount covered in the contract originally approved by the Board. According to the records of the Board of Public Works the balance due the contractor is \$28,024.43.

As a result of meetings attended by the contractor and his attorney, Mr. J.M. Walton of the architectural firm of Ross & Walton, Mr. James Posey Consulting Engineer, Mr. J. Edgar Harvey, Assistant Attorney General, and the Secretary of the Board of Public Works, at which the claims of the contractor were fully discussed, it was developed that a large part of the extra amount claimed by the contractor was due to the fact that the plans

and specifications for disposal tanks were changed from reinforced concrete to plain concrete because of the inability of the contractor to obtain reinforced steel, and the change resulted in a much larger quantity of concrete being necessary in building the tanks. The contractor claimed that he was justified in going ahead with the work at the increased cost because of his understanding that the architects and engineer, who approved the revised plans for the work, had authority to obligate the State for the additional cost.

Mr. Harvey advised the Board of Public Works that he did not feel that the architects or the engineer had authority to obligate the State for any additional cost beyond the amount of the contract originally approved by the Board, without the matter first having been submitted to the Board for approval by it, and that in the event of suit by the contractor the State would necessarily be protected by its sovereign status. The Board also considered whether, if it were to agree that the contractor should be compensated for the additional work done, it would ^{not} be possible to pay for the work because of the inavailability of money in the appropriation for the cost of the work. It was also suggested that in the event the Board were to decide to compensate the contractor the best that could be done would be to agree to recommend to the next Legislature that an appropriation be authorized to take care of the payment of the contractor's bill. It was felt, after consideration was given the matter, that there were some items included in the contractor's statement that could not be considered because these items were part of the original contract and could not be the subject of any additional allowance.

After considering the matter very fully the Board requested Mr. Harvey and Mr. McCusker to confer with the contractor, with the view to determining just what could be agreed upon in effecting a settlement of the contractor's claim.

CHRONIC DISEASE HOSPITAL, EASTERN SHORE - Post War Construction.

Governor O'Connor advised the Board that revised bids had been requested and obtained from contractors for the construction of the Chronic Disease Hospital to be erected on the Eastern Shore, on the property known as Deers Head Park, near Salisbury, acquired by the State as a site for a hospital.

In response to the request for bids two contractors submitted bids. One bid was received from Mr. J.R. Dashiell, Salisbury, Maryland, who submitted a price of \$1,798,860.00, and who specified in his bid that he would require 898 days in which to complete the work. Mr. Dashiell submitted an alternate bid in which he agreed to do the work with the understanding that he would receive a flat sum of \$142,000.00 as a fixed fee, and agreed to do the work at a price not exceeding \$1,798,860, including the fixed fee, with the proviso that in the event of any saving which might be effected he would share that saving with the State on the basis of the State receiving 90% of the saving and the contractor 10% of the saving. The other bid was received from John McShane, Inc., Baltimore, in the amount of \$1,914,850.00, with the stipulation that the work would be completed within 365 days.

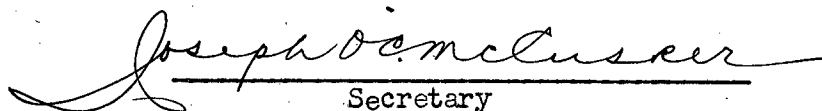
After due consideration the Board felt that the bid of J.R. Dashiell, being the low bid, should be the one to be accepted, but before approving the acceptance of the bid it would be necessary that the contractor agree to reduce the time within which the work would be completed, to eighteen calendar months, and also that the contract would be conditioned upon the necessary clearance being obtained from the Federal authorities for proceeding with the work without delay.

BOARD OF NATURAL RESOURCES

The Board formally approved and signed the lease which was prepared by the Socony Vacuum Oil Company, in cooperation with the State Law Department,

covering the land under water off Worcester County, between the one-half mile limit and the three mile limit of the Atlantic Ocean, excepting the land bordering on Ocean City for a distance of one-half mile north and one-half mile south of the corporate limits of Ocean City. The area involves 45,200 acres. Submitted with the lease for execution was check of the Socony-Vacuum Oil Company in the amount of \$11,300.00.

There being no further business the meeting adjourned.


Secretary